



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Worthington Financial Holdings, Inc.

Person to be contacted regarding this report:	Sarita Grace, CFO
CPP Funds Received:	\$2,720,000
CPP Funds Repaid to Date:	\$0
Date Funded (first funding):	5/15/2009
Date Repaid ¹ :	

RSSD: (For Bank Holding Companies)	3814703
Holding Company Docket Number: (For Thrift Holding Companies)	H4388
FDIC Certificate Number: (For Depository Institutions)	32649
City:	Huntsville
State:	Alabama

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

<input checked="" type="checkbox"/>	Increase lending or reduce lending less than otherwise would have occurred.	CPP funds allowed the bank to provide increased lending to the local community while maintaining sound and safe lending practices. The funds allowed the bank to continue expanding their lending abilities locally while many lenders were forced to turn away credit worthy customers.
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<input checked="" type="checkbox"/>	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	While it is not possible to directly tie the funds received to the types of lending they supported, in general Worthington Bank's target markets for lending are residential mortgage loans, commercial mortgage loans, small business loans, and consumer loans.
<input type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	
<input type="checkbox"/>	Make other investments	
<input type="checkbox"/>	Increase reserves for non-performing assets	

<input type="checkbox"/>	Reduce borrowings	
<input type="checkbox"/>	Increase charge-offs	
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	
<input checked="" type="checkbox"/>	Held as non-leveraged increase to total capital	Funds are being held to supplement the current capital raise, as well as fund cash flow and provide liquidity at the Holding Company to include supporting dividend payments until such a time the Bank's earnings support CPP dividends at the Holding Company level.

What actions were you able to avoid because of the capital infusion of CPP funds?

CPP funds allowed the company to continue to increase lending in the local market and enabled it to support local businesses with credit opportunities that might have otherwise not been available to them. This can be observed on TFR quarterly reports noting a continued expansion of the loan portfolio as a whole observed on line... of the TFR reports. CPP funds also served as a bridge for equity capital until the bank was able to execute its capital raise. The funds served to help maintain self imposed capital ratios during the interim period allowing the bank to avoid using other more costly sources of capital, until such a time that the bank was able to begin their capital raise.

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?

Worthington was able to continue to provide the local community with additional credit options. Worthington continued to expand their lending to the community at a time when other sources of credit may not have been available. The funds allowed the Worthington to continue with its business plan and allowed it to establish itself in the community as a reliable source of lending while other banks might not have been able to meet the community's needs.

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.

N/A